

REMARKS

Applicants sincerely appreciate the Examiner granting an Interview and speaking with Applicants on 3/19/08. Applicants also sincerely appreciate the clarifications made by the Examiner concerning the manner and time of creation for the PIN numbers in two of the cited references.

Claims 1-24 are pending and stand rejected. All of the drawings are accepted.

Claims 1-8, 10, 11, 14-16, and 18-24 stand rejected under 35 USC § 102(b) as being anticipated by U.S. Patent Application Publication 2002/0174334 (hereinafter "Meadow"). Claims 9, 12, and 13 stand rejected under 35 USC § 103(a) as being unpatentable over Meadow. Claim 17 stands rejected under 35 USC § 103(a) as being unpatentable over Meadow in view of U.S. Patent 5,925,865 (hereinafter "Steger").

Applicants respectfully submit that the rejections with respect to the claims are traversed in light of the amendments and the following remarks.

Claim rejections under 35 USC § 102(b)

The Office action rejected claims 1-8, 10, 11, 14-16, and 18-24 under USC § 102(b) as being anticipated by Meadow. A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.¹ Applicants respectfully suggest that claims 1-8, 10, 11, 14-16, and 18-24, as drafted and/or amended and included herein, traverse anticipation rejections according to Meadow for several reasons that are described below.

Regarding claim 1, the Office action states that Meadow "covers a self-authenticating check system whereby the standard MICR (Magnetic Ink Character Recognition) line includes additional data that includes a one-way hash value" (p. 2 of Office action). The one-way hash value "provides for validation of the authenticity of each check. ... The one-way hash value is **written onto the MICR line of the check as an n-digit value, when the check is created by a check printing service**" (Meadow [0021], with emphasis added by Applicants). In other words,

¹ *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

Meadow describes a security mechanism that helps validate the authenticity of checks **by adding additional information to the front the checks** at the time the checks are created.

By printing the hash values on the checks, Meadow consequently has several necessary requirements and corresponding limitations. First, the hash values are generated in advance of the time for the offer of payments for transactions associated with the checks, since the hash values are generated when the checks are created (Meadow [0021]). Second, by printing the hash values on the checks when the checks are created, the hash value of Meadow does not provide a mechanism where the hash value for a check may only be used within thirty minutes or an hour of generation for the offer of payment. Third, since it is created in advance of an offer of payment for a transaction, the hash value of Meadow cannot incorporate information pertaining to the transaction or the offer of payment. For example, the hash value cannot incorporate a purchase price, a date of the transaction, a transaction time, information pertaining to the type of the merchandise, the name of the seller, etc.

Contrasted with Meadow, Applicants describe scenarios of how purchasers may use conventional checks in offers of payments, such as checks that do not include any special or additional information on the MICR line. Applicants have disclosed and described how the **PINs are generated when a purchaser desires to pay for a transaction** via check (App. No. 10/733,838 [0033]). For example, a purchaser may use a pin module to generate a PIN for a transaction (App. No. 10/733,838 [0017]). For embodiments disclosed by applicants, a PIN is not generated at the time when the check is created, but generated later at the time of the offer for payment. By allowing the PIN to be generated when the offer of payment is made by the purchaser, embodiments of Applicants do not have the aforementioned limitations of Meadow. For example, unlike Meadow, embodiments of Applicants can generate a code that has an embedded expiration time (App. No. 10/733,838 [0019]). Embodiments of Applicants may also generate codes based upon such information as date and time, the name of the purchaser, etc. (App. No. 10/733,838 [0019]).

In consideration of the differences just cited, Applicants respectfully maintain that Meadow differs substantially in regard to when the hash value of Meadow is created versus when the PIN value of the Applicants may be created. To highlight this distinction Applicants have amended claim 1, in pertinent part, to read as follows:

1. A method for e-commerce with a check, the method comprising:
providing a purchaser with an encoded personal identification
number (PIN), wherein the PIN is generated when the
purchaser makes an offer of payment; ...

In other words, Applicants have inserted the limitation that the PIN be generated when the purchaser makes an offer of payment. The amendment to claim 1 does not add new matter and is supported by the specification (App. No. 10/733,838 [0033]). As described previously, Meadow does not describe, expressly or inherently, embodiments wherein either a one-way hash value or a PIN is generated when the purchaser makes an offer of payment.

Further, contrary to the assertion made in the Office action regarding claim 1, Applicants respectfully argue that Meadow does not disclose, expressly or inherently, any embodiments for “decoding ... and comparing the decoded PIN ... to authenticate the purchaser **and to verify that sufficient funds are available to the purchaser for the transaction**”. In one instance, Meadow does allude to an embodiment wherein a product code field may be included to convey more information about the check and the associated account, such as whether the account is “protected” against not sufficient funds (NSF) (Meadow [0057]). However, Applicants respectfully argue that conveying the additional information indicating whether an account is protected against such NSF events is distinctly different from actually verifying that sufficient funds are available for the transaction, such as by having compared the transaction purchase price with the actual account balance (App. No. 10/733,838 [0018]).

In light of the above arguments and amendment to claim 1, Applicants respectfully argue that Meadow does not disclose each and every element of claim 1. Accordingly, Applicants respectfully traverse the rejection of independent claim 1 and request that claim 1 be allowed.

Regarding claims 2-8 and 10, claims 2-6 and 10 depend from independent claim 1. Claims 7 and 8 depend from claim 6, which depends from independent claim 1. As amended, independent claim 1 is in condition for allowance. Since dependent claims 2-8 and 10 include all of the limitations of claim 1, claims 2-8 and 10 should now be allowed. Accordingly, Applicants respectfully traverse the rejections of dependent claims 2-8 and 10 and request that the claims be allowed.

Regarding independent claims 11 and 19, Applicants respectfully point out that Meadow differs substantially in regard to when the hash value of Meadow is created versus when the PIN value of the Applicants may be created, as described above. To highlight this distinction Applicants have amended independent claims 11 and 19 to incorporate the limitation of the PIN being generated when the purchaser makes an offer of payment. As described previously, Meadow does not describe, expressly or inherently, embodiments wherein either a PIN is generated when the purchaser desires to make an offer of payment.

Additionally, Applicants again respectfully argue that Meadow does not disclose, expressly or inherently, any embodiments that “verify that sufficient funds are available to the purchaser for the transaction”. In light of the above arguments and amendment to independent claims 11 and 19, Applicants respectfully argue that Meadow does not disclose each and every one of the elements of claims 11 and 19. Accordingly, Applicants respectfully traverse the rejections of independent claims 11 and 19 and request that the claims be allowed.

Regarding claims 14-16 and 18, claims 14-15 depend from independent claim 11. Claim 16 depends from claim 15, which depends from independent claim 11. Claim 18 depends from claim 17, which depends from independent claim 11. As amended, independent claim 11 is in condition for allowance. Since dependent claims 14-16 and 18 include all of the limitations of claim 11, claims 14-16 and 18 should now be allowed. Accordingly, Applicants respectfully traverse the rejections of dependent claims 14-16 and 18 and request that the claims be allowed.

Regarding claims 20-24, claims 20-22 and 24 depend from independent claim 19. Claim 23 depends from claim 22, which depends from independent claim 19. As amended, independent claim 19 is in condition for allowance. Since dependent claims 20-24 include all of the limitations of independent claim 19, claims 20-24 should now be allowed. Accordingly, Applicants respectfully traverse the rejections of dependent claims 20-24 and request that the claims be allowed.

Claim rejections under 35 USC § 103(a)

As noted above, dependent claims 9, 12, and 13 stand rejected under 35 USC § 103(a) as being unpatentable over Meadow. If an independent claim is nonobvious under 35 USC § 103, then any claim depending therefrom is nonobvious.²

Applicants respectfully point out that the Office action does not raise any obviousness rejections under 35 § 103(a) for either claim 1 or 11, especially as the claims are currently amended. Claim 9 depends from claim 6, which depends from claim 1. Claims 12 and 13 depend from claim 11. Applicants respectfully maintain that claims 9, 12, and 13 are therefore nonobvious. Consequently, Applicants respectfully traverse the rejections of dependent claims 9, 12, and 13 and request that the claims be allowed.

In regard to claim 17, claim 17 stands rejected under 35 USC § 103(a) as being unpatentable over Meadow in view of Steger. Applicants respectfully point out that the Office action does not raise any obviousness rejection under 35 § 103(a) for claim 11, especially as claim 11 is currently amended. Applicants respectfully maintain, therefore, that claim 17 is therefore nonobvious.

Applicants also respectfully submit that Steger does not disclose any embodiments that generate a PIN for a transaction of e-commerce. Instead, Steger discloses checks and money orders that have a bar code printed on the check (Steger, Col. 2, lines 5-7). The bar code helps minimize merchant interaction time (Steger, Col. 1, lines 58-60) and may help prevent unauthorized use of a checking account when a PIN or security number is encrypted in the bar code (Steger, Col. 2, lines 31-35). Due to the fact that the bar code is printed on or otherwise affixed to the checks ahead of time (Steger, Col. 2, lines 5-7; also Col. 3, lines 53-60), Applicants respectfully submit that the bar code provided by Steger has many of the same limitations as Meadow. More specifically, Applicants respectfully submit that **Steger does not disclose generating the bar code (or PIN) for a check when a purchaser makes an offer of payment**, including that funds may be verified as available based on the bar code or the PIN that was generated.

Steger is more directed at preventing the unauthorized use of a physical paper check when presented to a merchant in person (Steger, Col. 2, lines 1-5; also see Col. 2, 15-39). While

² *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

Steger may disclose a system that can verify checking account status and account balance information (Steger, Col. 5, lines 52-54), Applicants respectfully maintain that the embodiments of the Applicants are nonetheless nonobvious and patentable over Meadow in view of Steger based on the differences just described. Consequently, Applicants respectfully traverse the rejection of dependent claim 17 on this separate ground and request that claim 17 be allowed.

Additional Claim Set

Applicants are submitting an additional set of claims, claims 25-30, which are new. The claim set comprises 1 independent claim (25) and 5 dependent claims (26-30) which depend from independent claim 1. The new claims add no new matter and the elements for the claims can be found in the specification. For example, claim 25 provides a person with an encoded personal identification number (PIN) that may be generated via interaction of the person and based on facts of an offer of payment, as described in the specification, paragraphs [0017-0019].

CONCLUSION

Applicants respectfully respond to the objections and traverses the cited references in regards to the claim rejections under 35 USC §§ 102 and 103. Accordingly, Applicants believe that this response constitutes a complete response to each of the issues raised in the Office action. In light of the amendments made herein and the accompanying remarks, Applicants believe that the pending claims are in condition for allowance. Thus, Applicants request that the rejections be withdrawn, pending claims be allowed, and application advance toward issuance. If the Examiner has any questions, comments, or suggestions, the undersigned attorney would welcome and encourage a telephone conference at (512) 391-4913.

A petition for extension of time and authorization for the corresponding fees accompany this response, including new claim fees. If any other fee is determined to be required, the Office is authorized to charge Deposit Account 09-0447 for any such required fee.

Respectfully submitted,

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Date

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